



FILED

02/21/23

12:44 PM

R2301007

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Implementing Senate Bill 846 Concerning
Potential Extension of Diablo Canyon
Power Plant Operations

Rulemaking R.23-01-007

**COMMENTS OF THE GREEN POWER INSTITUTE ON
THE ORDER INSTITUTING RULEMAKING TO EXTEND
OPERATIONS AT DIABLO CANYON POWER PLANT**

February 21, 2023

Gregory Morris, Director
The Green Power Institute
a program of the Pacific Institute
2039 Shattuck Ave., Suite 402
Berkeley, CA 94704
ph: (510) 644-2700
fax: (510) 644-1117
gmmorris@emf.net

COMMENTS OF THE GREEN POWER INSTITUTE ON THE ORDER INSTITUTING RULEMAKING TO EXTEND OPERATIONS AT DIABLO CANYON POWER PLANT

Pursuant to the January 20, 2023, **Order Instituting Rulemaking to Consider Potential Extension of Diablo Canyon Power Plant Operations in Accordance with Senate Bill 846**, the Green Power Institute, the renewable energy program of the Pacific Institute for Studies in Development, Environment, and Security (GPI), provides these *Comments of the Green Power Institute on the Order Instituting Rulemaking to Extend Operations at Diablo Canyon Power Plant*.

Comments

The OIR for this new proceeding sets forth a scope of work that takes place in two phases. The first phase is titled Establishing Retirement Dates for Diablo Canyon Units 1 and 2. The first task essentially asks whether the operating life extension should be the full five years specified in SB 846, or a shorter period. This task has four subtasks, which can be summarized as follows:

- What happens if state funding is not appropriated as envisioned in SB 846?
- What happens if the NRC does not issue a new operating license, or if the new operating license is for a period of less than five years?
- Are the costs associated with license renewal and needed capital expenses justified?
- Are new zero-carbon resources an adequate substitute for Diablo Canyon?

The second bullet point, in the view of the GPI, is trivial, and need not remain in the finalized statement of work. Of course, if an operating license extension is not granted by the NRC, then the facility will have to shut down in 2024/2025 as currently planned. If a license is granted, it will be for a period of twenty years. There is virtually no chance that it would be for a period of less than five years. The NRC's standard relicensing process produces, when successful, a twenty-year operating life extension, and PG&E has announced that it will be seeking a standard twenty-year extension. With the severe time

constraint available to complete the process, it will actually take less time to use the standard twenty-year relicensing process than to require the NRC to design a new, special process to relicense for five years, or any other number of years other than 20. Moreover, even with the NRC having rejected PG&E's attempt to reopen the application that they originally filed in 2009, PG&E has announced that they will be reapplying with essentially the same application, updated to reflect changes that have occurred to the facility in the interim, and that preparing the new application should be a relatively quick process. And the NRC has stated that it is prepared to expeditiously process the new application upon submission.

The first and third bullet points will be answered over the course of time as the CEC, the independent safety committee (DCISA), and other entities study the costs of extending operations at Diablo Canyon, and the Legislature either does or does not make the anticipated funding available. The fourth bullet point, asking whether sufficient clean energy sources are available to substitute for Diablo Canyon's energy and reliability contributions, requires a finding that is outside of the set of issues specific to the Diablo Canyon facility that have to be addressed if Diablo Canyon's operations are to be extended.

It should be noted that when the 2016 Application was filed to shut down Diablo Canyon at the expiration of its original operating license, one of the key stipulations was that the facility's retirement should be accomplished without causing any increase in systemwide greenhouse-gas emissions. In fact, modeling studies conducted over the past several years for the Commission's IRP proceeding, R.20-05-003, have consistently shown that retiring Diablo Canyon in 2024/2025 will lead to an increase in systemwide greenhouse-gas emissions. Indeed, this consistent finding is one of the factors that motivated the passage of SB 846.

Even if retiring Diablo Canyon could be accomplished without causing an increase in greenhouse-gas emissions, it is questionable whether the retirement would be consistent with current California energy and environmental policies, which favor the rapid decarbonization of the California economy. As CEC research presented at a hearing on

January 20, 2023, clearly shows, IRP procurement orders already issued will require unprecedented rates of development of new renewable resources in order to be fulfilled within the timeframe specified in the Orders. Given that clean energy resources are being developed at maximal pace, the loss of a major carbon-free generator like Diablo Canyon would inevitably leave the system with less clean energy than if Diablo Canyon was not retired. In other words, regardless of whether or not Diablo Canyon can be retired without causing an increase in carbon dioxide emissions, the fact is that the system will have greater greenhouse-gas emissions without Diablo Canyon than with it as long as other clean power sources are already being developed at maximal speed.

Task 2 is focused on determining and monitoring the costs of continued operations at Diablo Canyon, a necessary task that needs to be performed as long as operating life extension is pursued. The final clause of the task description in the OIR says that the “reliability need” for continued operations at Diablo Canyon will be assessed. In the opinion of the GPI, assessing the reliability contributions of Diablo Canyon is a useful exercise, but assessing the need for that reliability contribution, which is a huge task in-and-of itself, is more properly in the scope of the ongoing RA and IRP proceedings than this proceeding, which is focused on the operations at Diablo Canyon power plant.

GPI does not have any comments on Task 3 at this time.

We look forward to working with the Commission and the Parties on the complex and likely contentious issues in Phase 2 of the OIR’s scope of work.

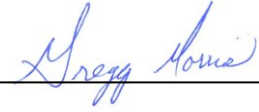
The OIR requests comments on its Appendix A, which delineates some of the various agencies and entities that are directed to contribute to the effort to extend the operating life of Diablo Canyon by SB 846, and presents a tentative Phase 1 schedule that is predicated on producing a Phase 1 Decision by the end of the current year. GPI does not have any comments on Appendix A at this time.

Conclusion

We urge the Commission to adopt our recommendations herein.

Dated February 21, 2023

Respectfully Submitted,



Gregory Morris, Director

The Green Power Institute

a program of the Pacific Institute

2039 Shattuck Ave., Suite 402

Berkeley, CA 94704

ph: (510) 644-2700

e-mail: gmorris@emf.net